

**CITY COUNCIL WORK SESSION  
CITY OF WATERTOWN  
October 12, 2010  
7:00 P.M.**

**MAYOR JEFFREY E. GRAHAM PRESIDING**

**PRESENT:**               COUNCIL MEMBER JOSEPH M. BUTLER JR.  
                              COUNCIL MEMBER TERESA R. MACALUSO  
                              MAYOR GRAHAM

**ABSENT:**               COUNCIL MEMBER ROXANNE M. BURNS  
                              COUNCIL MEMBER JEFFREY M. SMITH

**ALSO PRESENT:**   MARY M. CORRIVEAU, CITY MANAGER  
                              ROBERT SLYE, CITY ATTORNEY  
                              JAMES BURROWS, CITY ATTORNEY

**City Staff Present:**   James Mills, Brian Phelps and Kurt Hauk

**Discussion Items:**

**Eminent Domain Findings in Connection with Public Interest Associated with the Taking of Private Sewer Line and Street, Gaffney Drive.**

Attorney Slys stated that currently there are two proposed projects having to do with eminent domain inside the City with one being the sewer easement and sewer line itself and the other being the acquisition of a title of a parcel in the intersection of two City streets. Attorney Slys referred to eminent domain procedure law stating that the following have to be specified when going through eminent domain: the public use, benefit or purpose of the project; choose the area and the reasons for selection; the general effect on the environment and the residents of the locality, and other factors as Council deems relevant.

Council Member Butler inquired about the easements.

Mrs. Corriveau pointed out the sites the City is looking at acquiring.

Attorney Slys reminded Council that he is here to facilitate discussion and if Council finds this acceptable he will prepare a resolution.

Mayor Graham commented that Attorney Slys did a good job summarizing the reasons for the action. He stated that to not acquire these items would certainly hinder development and he stressed the importance of continuity of ownership regarding City streets.

Council Member Macaluso asked if the property owners have objections to the City taking these items.

Attorney Slye responded that he does not know that they have any objections.

Council Member Butler inquired when the square parcel of land was interjected into discussions with the owner and if we have offered to buy it from them in the past.

Mrs. Corriveau noted that it was after the City took Gaffney Drive and we have offered to buy it from them.

Attorney Slye noted that March 10, 2010, an offer was made for \$45,000.

Council Member Butler commented that he does not see the public benefit for obtaining the parcel in the intersection.

Mrs. Corriveau replied that one does not have to look too far back to see the benefit of obtaining a property such as this one. She referenced the acquisition of Gaffney Drive and that this particular piece of roadway could eventually be in the same state of disrepair. She reminded Council that this is in an intersection of two City-owned streets but the City does not own the intersection.

Attorney Slye noted that a court order could be acquired to fix the plot of land if need be.

Mr. Hauk added that by acquiring this section, it allows the City to solve a problem before it happens.

Attorney Slye explained the sequence of events for the eminent domain process.

### **Jefferson County Industrial Development Agency Uniform Tax Exemption Policy and Guidelines**

Mayor Graham referred Council to the research and memos prepared before them and noted this topic is the subject of much debate.

Mrs. Corriveau reviewed the memo she composed and compared language in the memo to see where changes were and outlined the bigger issues. She noted that the process starts when the JCIDA takes title to a piece of property, which then becomes tax exempt. The UTEP collects tax payments on property acquired by the JCIDA. Mrs. Corriveau said that it is important for the JCIDA to look at the economic impact of this plan.

Mayor Graham asked if this allows exemptions on mortgage and sales tax.

Mrs. Corriveau replied that it does allow exemptions.

Attorney Burrows referenced section 874 of the NYS General Municipal Law.

Mayor Graham commented that sales tax is depended on as a primary source of revenue and that the ability to tax is vested in elected government. He added that entities that have no direct connection to voters, such as JCIDA, become subjective.

Mrs. Corriveau replied that JCIDA may grant enhanced benefits to participants and she noted that they are currently giving taxing jurisdictions a voice in the proposed UTEP. She reminded Council that the state requires IDAs to have UTEPs so that everyone is treated equally.

Mayor Graham stated that it seems as though they are imposing a de-facto tax by transferring tax revenue from a municipality to a private agency.

Council Member Macaluso noted that she understands the Mayor's remarks and said she feels as though any input given to the JCIDA on this subject will fall on deaf ears.

Mrs. Corriveau replied that she is not as pessimistic and that they are asking for input from jurisdictions.

Mayor Graham questioned the practice of cutting sales tax, asking if taxes are cut for one entity, will other people bear the burden of those cuts.

Council Member Butler stated that Council has a responsibility to look at this issue and address it and the goal is it work collaboratively and move forward. He then inquired about the Recapture issue.

Attorney Burrows replied that it is a vague and ambiguous point as to what and how benefits will be recaptured. He added that there are no recaptures for sales and mortgage tax.

Mrs. Corriveau added that she believes the money stays with the JCIDA and does not go back into the taxing jurisdictions.

Mr. Phelps noted that there will be many more projects now that the Empire Zones are disbanded.

Mrs. Corriveau noted that she does not know what the tax exemptions will be as the structure is not defined yet.

Mayor Graham spoke about the one-hundred percent tax elimination by the JCIDA but that they have a twenty-five percent fee and that he does not see how that is proper. He noted that the recapture should go to municipalities. In addition, he stated that he has no problem with PILOTS as long as they have framework. Mayor Graham commented that it is tough to negotiate this issue as there are a high number of taxing jurisdictions in the County.

Council and staff discussed Deviations from Policy.

Attorney Burrows noted that a portion of the UTEP focuses on renewable energy in which sales tax could be a huge factor.

Council Member Butler questioned a portion of the report regarding approval of a PILOT if a local board or affected tax jurisdiction does not support it or refuses to allow it to go forward.

Mr. Phelps responded that the approval is tied to the planning process of a project not the PILOT.

Mrs. Corriveau added that the PILOT is not granted until the project planning is approved. She suggested that Council adopt some language to take to the November public hearing.

Council Member Butler recommended meeting again to put together a proposal.

Mayor Graham replied that the next meeting time should be discussed during next week's regular Council Meeting when the other Council members are present.

### **Health Insurance Plan Changes**

Mayor Graham questioned discussing this since Council Member Smith was not present. He noted that he has no problem implementing the changes as they are.

Council Member Butler talked about extending the sunset provision until 2014 at which time losing grandfather status becomes irrelevant. He suggested not making any changes until the next budget season.

Mrs. Corriveau noted that there are limitations to the changes if grandfathering is kept in place.

Council Member Butler noted that the Health Committee worked hard on this plan.

Mrs. Corriveau said that this will be on the agenda next week.

### **City and County Tax Enforcement Procedures**

Mrs. Corriveau noted that Council Member Smith had asked for this item to be discussed.

Mayor Graham suggested not going over this subject without him present.

Council Member Butler wished to discuss a couple of items including the minimum price for a tax sale certificate and penalties involved with late payments. He also asked why the City waits until the end of June to sell properties.

Mr. Mills addressed his questions and explained the penalty schedule. He explained that the practice of selling property at that time of the year has been in the Charter for years and meant as a way to wrap up the fiscal year. It was also noted that the minimum price for a tax sale certificate is the amount owed on a parcel.

Council discussed when they will meet again to further discuss some issues presented during this meeting.

Mrs. Corriveau suggested discussing it during the next regular meeting when all Council Members are present.

Meeting ended at 9:05 p.m.

Amanda C. Lewis  
Deputy City Clerk